

BETTY T. YEE, BOARD MEMBER STATE BOARD OF EQUALIZATION

Serving the 8.5 million Californians of the First Equalization District, comprised of 21 counties along the northern and central California coast, including the entire San Francisco Bay Area.

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APRIL NEWSLETTER

INTERNAL REVENUE SERVICE OFFERS FREE TAX HELP

With the April 15 tax filing deadline right around the corner, the Internal Revenue Service (IRS) offers taxpayers who have not yet filed a few last-minute tips.

File Electronically

Most tax returns are **now filed electronically** – either from home using purchased tax software, by a tax professional or through Free File.

Try Free File

Free electronic filing is available to everyone.

Traditional Free File is software with step-by-step help available to anyone whose 2012 adjusted gross income was \$57,000 or less. The only way to access Free File is through the IRS Web site, IRS.gov. As the name implies, there is no charge for this service.

For those whose incomes exceed \$57,000, there is **Free File Fillable Forms**. Free File Fillable Forms, also available through IRS.gov, allows a taxpayer to fill out and file tax forms online. You enter the necessary information, sign electronically, print the return for recordkeeping and then e-file the return right to the IRS. Since there is no step-by-step help, Free File Fillable Forms may be best if you are comfortable with the tax law and know which forms to choose.

Choose Direct Deposit for Refunds

Whether you file electronically or on paper, **your refund can be automatically deposited** into the bank or financial account of your choosing. Direct deposit is faster than a paper check. If you e-file and use direct deposit, you will receive your refund even faster. Direct deposit is also more secure than a paper check since a direct deposit goes directly into your account and cannot be lost in the mail or stolen.

Pay Electronically

Electronic payment options are safe and secure methods for paying taxes or user fees. You can pay online, by phone using a credit or debit card, or through the Electronic Federal Tax Payment System.

You may also pay by check made out to the “United States Treasury” using Form 1040-V, Payment Voucher, which must be included along with your tax return. If you have already filed but still need to pay all or some of your taxes, mail the check to the IRS with Form 1040-V.



NEED MORE TIME?

If you can't meet the April 15 filing deadline, get an automatic six-month extension of time to file by filing IRS **Form 4868**, Automatic Extension of Time to File. The form needs to be submitted by April 15. Remember, an extension of time to file is not an extension of time to pay the taxes you owe. Tax payments are still due April 15, even if an extension is requested for filing returns.

There are several ways you can request an extension, including **Free File or Free File Fillable Forms**, through your tax professional, or with tax software you installed on your computer.

Apply for an Installment Agreement

If you can't pay your entire balance due, an installment agreement will allow you to pay any remaining balance in monthly installments. If you owe \$25,000 or less, you may apply for a payment plan using the IRS **Online Payment Agreement** application or just attach **Form 9465**, Installment Agreement Request, to the front of your return. You'll need to list the amount of your proposed monthly payment and the date you wish to make your payment each month. The IRS charges \$105 for setting up the agreement, or \$52 if the payments are deducted directly from your bank account.

To learn more about services provided by the State Board of Equalization, please call my office or visit my web site at:
www.boe.ca.gov/members/yee

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TIPS FOR STATE INCOME TAX FILERS

With the April 15 tax filing deadline upon us, the Franchise Tax Board (FTB) offers some help for last minute tax filers.

Plenty of Tax Help Available

Taxpayers can visit the [FTB's Website](#) to get a quick overview of important information for this year's taxes, get answers to frequently asked tax questions, download tax forms, take advantage of free e-file, and use one of the many e-services available.

The FTB's automated phone service at 800-338-0505 is available anytime to get answers to questions and to check on payments, balances due, or refunds. To speak with a customer service representative, call the FTB at 800-852-5711.

Taxpayers can visit any one of [16 field offices located statewide](#), open Monday through Friday from 8 a.m. to 5 p.m. Contact the FTB to locate the nearest office.

FTB's Free e-File Services

[CalFile](#) and [ReadyReturn](#) are for State of California tax filing, while Free File is for your federal tax return.



Ms. Yee addresses VITA volunteers at San Francisco State University.

[ReadyReturn](#) is for taxpayers with more simple returns, and income only from wages. Ready Return pulls data from wage reports and past tax returns to generate a completed return online. Most taxpayers complete the process in less than 15 minutes.

[CalFile](#) is the state's other easy-to-use e-file option available to those with more complex filing needs. Those who have income from a variety of sources such as wages, interest, and dividends, or those who itemize deductions should consider using CalFile.

Use Web Pay to Make Payments

[Web Pay](#) works much like a debit card transaction. Taxpayers can authorize the FTB to withdraw funds from their bank account on a specific date, on or before April 15, to satisfy their return balance due or extension payment. Taxpayers can also make estimated tax or bill payments.

Volunteer Income Tax Assistance (VITA) program

VITA offers free tax filing help to people making \$51,000 or less and need assistance in preparing their own tax returns. Use the [VITA locator tool](#) to find a VITA site near you. Trained volunteers will help prepare your tax return for free, and they are trained to look for credits you may be eligible to receive. VITA is free, and your information is safe and secure.

Tax Counseling for the Elderly (TCE)

The TCE program provides free income tax assistance for low- or middle-income taxpayers, giving special attention to those 60 and older. Use the [TCE locator tool](#) to find a TCE site near you.

Check if You are Eligible for the Earned Income Tax Credit (EITC)

The [Earned Income Tax Credit](#) is a refundable tax credit for low- and medium-income individuals and couples, primarily for those who have qualifying children. Eligible workers can receive up to \$5,891, so it's really worth checking to see if you qualify.



I'VE FILED MY TAX RETURN; NOW WHAT?

After you have filed your federal and state income tax returns, you may think that you are finished but there is more to do. Just as in tennis and golf, follow-through is equally important when it comes to taxes.

Check your refund status. You can generally expect the Internal Revenue Service (IRS) to issue your refund in less than 21 calendar days after they receive your tax return. Use the "[Where's My Refund?](#)" button at [irs.gov](#) to check on the status of your return. You can use this option whether you file an electronic or paper return. Please limit checking on your refund to once a day; the system updates nightly.

You can generally expect the Franchise Tax Board (FTB) to issue your state tax refund in 7-10 days if you e-filed your return; and in 8-12 weeks if you mailed your return. Like the IRS, the FTB provides a way for California taxpayers to track their state returns, visit [Check Your Refund Status](#).

Deposit your tax return check as soon as possible. Ironically, some taxpayers will take extreme measures to protect their identity and documents while processing their taxes, only to lose the actual refund checks once they arrive in the mail. This is another reason to eFile.

Store your documents safely. Even if you filed electronically, you probably have hard copies of your tax forms just as you have copies of your W-2 forms and mortgage interest statements. Surprisingly, identity theft frequently takes place when tax documents are stolen from cars. Keep your old documents in a locked safe or filing cabinet at home. Don't store duplicate copies at work or a friend's house.



Fun Tax Facts

1. The first US income tax started in 1862 to help raise money for the Civil War.
2. The 16th Amendment, ratified in 1913, established the first permanent US income tax.
3. Richard Nixon was the first president to start the practice of releasing his tax returns.
4. The check box for the Presidential Campaign Funds contribution first appeared on the 1973 tax return as a \$1 contribution. Today, it is \$3.
5. The BOE is the only publicly elected tax commission in the United States.

CASH RECEIPTS FOR FEBRUARY INDICATE GOOD NEWS FOR CALIFORNIA ECONOMY



Better-than-expected revenues, along with recovering home prices, a steep drop in foreclosures, and increased car sales are indicators of a rebounding California economy, reports the [State Controller's Office](#).

February's cash balance, receipts, and disbursements closely matched the amounts estimated in the 2013-14 California state budgets that Governor Brown submitted in January.

The update below shows that the shortfall in personal income was compensated by the increase in corporate and retail tax receipts:

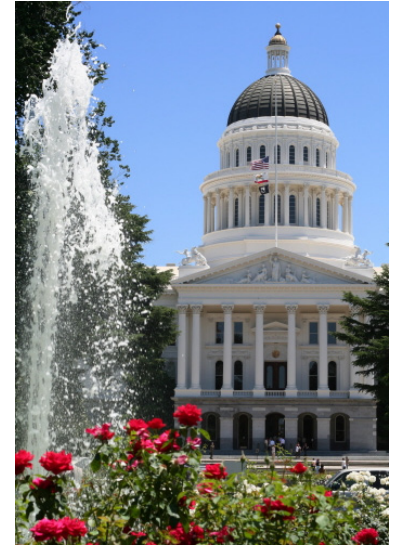
- Corporate taxes exceeded estimates by \$26.3 million, up 22.3 percent.
- Sales tax receipts exceeded estimates by \$363.5 million, up 13.8 percent.
- Personal income taxes were \$441.2 million below estimates, down 18.6 percent.

The estimate in personal income tax receipts was off forecast mostly due to the large number of tax refunds that were issued in February instead of January when they were originally expected to be sent.

Now that we are two-thirds into the 2012-13 fiscal year, how does the California economy look? So far, total receipts for the period starting July 1, 2012 through February 28, 2013 are \$4.5 billion, up 13 percent from those same months during the previous years.

While the results for January and February are encouraging, maintaining market momentum here and across the

nation is critical for California's economy. Economists look forward to the April tax receipts for consistency with their forecast and to project future economic activity.



CALIFORNIA HOUSING UPDATE

Spring marks the start of the housing season. Home sales generally increase in March, peak in April and May, and tend to remain strong through June and July. So how is California doing?

In the San Francisco Bay Area, a large number of buyers are seeking to purchase too few available homes, which is driving up the prices of those houses that do sell, according to the real estate research firm [DataQuick](#).

A total of 5,404 houses and condominiums were sold, down 1.8 percent from January. However, the median sales price for a home in the nine-county San Francisco Bay Area was \$405,000 in February. This 24.6 percent increase marks the ninth straight month of double-digit year-over-year increases for the region.

Investors, rather than first-time homebuyers, purchased 28.2 percent of all Bay Area homes, indicating they are optimistic about future home prices.

Meanwhile, 15,945 homes were sold in Southern California -- the most for a February in the past six years. The median sales price in Los Angeles and five other counties was \$320,000.

What about those who neither wish to sell nor buy a home, but simply want hold on to the one that they have?

For the first time since December 2006, California was not among the states with the 10 highest foreclosure rates. Overall foreclosure activity in California dropped for the 15th straight month, ranking 13th in the nation.

February saw 18,003 foreclosure filings in California, a decline of almost 63 percent from February 2012 and a rate of one in 757 homes. Bank repossessions in the state fell 49 percent from last year.



Last year, the State Legislature passed a law that provided California homeowners with some of the nation's strongest protections from foreclosure.

APRIL IS FINANCIAL LITERACY MONTH



Educating ourselves and our families about personal finance is a vital skill in both good and bad economic times. Ms. Yee is committed to providing tools and resources individuals can use to learn to make positive and sound financial decisions. Here she answers frequently asked questions about financial literacy.

Q. What is financial literacy?

A: Financial literacy is the ability to manage your money responsibly so you and your family can be secure now and in the future. I'm not suggesting you need a degree in finance, but rather know how basic finances work so you can make informed financial decisions.

Q. What are the basic steps to financial fitness?

A. I encourage everyone to set financial goals. To do that you've got to know how to plan a budget and put that plan into action, including paying yourself first through disciplined saving. The keys to budgeting are:

- Spending: living within your means
- Saving: setting money aside
- Credit: using it wisely
- Investing: saving for retirement

Q: How do I instill good financial habits in my children?

A: I highly recommend making budget planning a family affair. Children should know that money does not grow on trees, and you can't spend more than you earn. Teach teenagers how to balance a check book, understand interest charges for borrowing, and interest earning for saving.

Q. Where can I learn more about financial literacy?

A. I am pleased to provide a comprehensive list of financial literacy resources on my [website](#). The resources compiled in these toolkits offer information about developing financial skills such as money management, asset building, and retirement planning. Additionally, there is a financial literacy toolkit for youth and young adults. I can't stress enough the importance of developing solid financial skills that will last a lifetime. It's never too late to start!



EARTH DAY: THE FACE OF CLIMATE CHANGE

On April 22 of each year, more than one billion people take part in Earth Day. Around the world, individuals, communities, organizations, and governments celebrate the beauty of planet and recommit themselves to the work of protecting it.

The theme of this year's Earth Day is "[The Face of Climate Change](#)." As the human population increases, so too does the demand for more of earth's resources. More people means more land dedicated to ranching and farming, more water diverted from lakes and rivers, more fossil fuels to power cities and cars, and the list goes on. These actions all lead to increased [greenhouse gas emissions](#), altering the temperature of our planet and having practical impacts on individuals and families. Is this path sustainable?

Human actions are altering the face of the planet in increasingly apparent ways. To see the impact of global climate change, look no further than at nature itself. While governments wrangle over how to deal with this issue, nature is making its own moves to stay alive.

Global Carbon Dioxide (CO₂) emissions from fossil-fuels 1990-2008



Animals and plants are now [adapting](#) to shifts in temperature, migrating to cooler climates, modifying diets, and even altering their breeding cycles. Throughout most of the 20th century, tree range shift occurred at about 0.4 miles north a year. However, since 1990, climate changes have caused tree species range to move by an average of 12 miles a year. Likewise, the Comma butterfly has migrated north from central England to Edinburgh, Scotland – a distance of 130 miles – over the past 40 years.

What can you do to [help mitigate the impact](#) of global climate change? Driving a vehicle, using electricity to light or heat your home, and throwing away trash all produce greenhouse emissions. You can do your part to reduce emissions by taking simple steps like using less water, changing to energy efficient light bulbs, powering down electronics, and recycling. Each of us has the ability to change our habits and to educate our friends, families, and communities on the urgent need to practice conservation.